

Fountain County, Indiana
2007 Pay 2008 Budget Order

An analysis of the data with the 2007 Pay 2008 Budget Order for Fountain County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes.

Fountain County has one cross-county unit, Covington Community Schools, which crosses into Warren County (the minor county). This analysis includes only the Fountain County portion of cross county units.

Fountain County has no conservancy districts.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on an annual growth factor or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2008 on a county-wide basis was \$964,088 or 5.76%. Following are the levy changes that were greater than \$1 million or a 10% change over the previous year levy. The largest total dollar increase in levy was due to the Southeast Fountain School Corporation (\$494,910).

Fountain County

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Health	\$99,052	\$186,562	\$87,510	88.35%
Children's Psychiatric Res Treatment	105,286	37,462	-67,824	-64.42%

Fountain County Welfare

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Welfare - Family and Children	\$805,580	\$879,614	\$74,034	9.19%

Total County levy increased by \$123,591 or 3.15%.

Van Buren Township

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
Lease Rental Payment	\$30,752	\$17,218	-\$13,534	-44.01%

Total Township levy decreased \$12,091 or 13.99%.

Covington Community School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$1,223,058	\$1,312,231	\$89,173	7.29%
Debt Service	537,602	637,086	99,484	18.51%

Total School levy increase of \$194,580 or 7.17%. Increase in debt payment structure, but no new debt for 2008.

Southeast Fountain School Corporation

<u>Fund</u>	<u>Pay 2007 Certified Levy</u>	<u>Pay 2008 Certified Levy</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$2,045,008	\$2,266,421	\$221,413	10.83%
Capital Projects	677,632	917,504	239,872	35.40%

Total School levy increase of \$494,910 or 11.79%. General fund has levy excess in prior year causing larger current year levy increase. Capital projects fund rate increased to cover expected capital costs in current year.

No units in the County exceeded the working maximum levy. All units in the County levied up to or near their working maximum levy.

No units in the County exceeded the normal statutory growth rate for controlled fund levies.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	17.95%
Industrial	1.18%
Commercial	0.83%
Residential	-3.68%
Exempt	20.72%
Utility	7.54%

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits).

<u>Class</u>	<u>2007 Ratio</u>	<u>2008 Ratio</u>
Agriculture	43.25%	47.84%
Industrial	3.27%	3.11%
Commercial	5.68%	5.37%
Residential	45.45%	41.04%
Exempt	2.24%	2.53%
Utility	0.11%	0.11%

As can be seen from the analysis, a shift from residential, industrial, and commercial property to agricultural and exempt property occurred. This shift was approximately 4.88%.

Change in Net Tax Rates

Changes in net tax rate by district were as follows.

District	Change in NAV	Change in Levy	Change in Gross Tax Rate	Change in Business Personal Property Net Tax Rate	Change in Real Estate and Other Personal Property Net Tax Rate	Change in Homestead Net Tax Rate
CAIN TOWNSHIP	14.86%	14.30%	-0.49%	1.74%	3.54%	-8.96%
HILLSBORO TOWN	-5.85%	-4.30%	1.65%	3.90%	5.93%	-9.80%
DAVIS TOWNSHIP	14.02%	7.89%	-5.38%	-4.82%	-4.24%	-14.13%
FULTON TOWNSHIP	-3.46%	-3.52%	-0.06%	1.80%	3.21%	-7.77%
JACKSON TOWNSHIP	15.25%	14.61%	-0.55%	1.63%	3.52%	-9.34%
WALLACE TOWN	-2.82%	-3.01%	-0.20%	2.06%	3.95%	-9.09%
LOGAN TOWNSHIP	15.08%	8.99%	-5.29%	-4.72%	-4.15%	-14.05%
ATTICA CITY	1.49%	-1.78%	-3.22%	-2.50%	-1.54%	-15.00%
RICHLAND TOWNSHIP	16.52%	16.00%	-0.45%	1.77%	3.66%	-9.14%
MELLOTT TOWN	5.45%	4.90%	-0.52%	1.41%	2.98%	-8.59%
NEWTOWN TOWN	-1.92%	-1.49%	0.44%	2.59%	4.54%	-9.53%
SHAWNEE TOWNSHIP	14.11%	7.67%	-5.64%	-5.10%	-4.56%	-14.36%
TROY TOWNSHIP	8.88%	8.16%	-0.66%	0.99%	2.53%	-9.17%
COVINGTON CITY	7.39%	6.47%	-0.85%	0.29%	2.38%	-12.89%
VAN BUREN TOWNSHIP	12.63%	10.11%	-2.24%	-0.63%	0.89%	-11.96%
VEEDERSBURG TOWN	0.21%	2.18%	1.97%	3.76%	6.84%	-6.25%
WABASH TOWNSHIP	6.05%	5.61%	-0.42%	1.37%	2.80%	-8.26%
MILLCREEK TOWNSHIP	13.57%	12.84%	-0.64%	1.45%	3.38%	-9.73%
KINGMAN TOWN	-2.61%	-2.02%	0.60%	2.45%	4.57%	-11.02%
Average	8.17%	5.86%	-1.21%	0.37%	1.93%	-10.73%

Downward pressure on tax rates came from increases in Assessed Value due to trending and the increased Homestead Credit rate.

Upward pressure on tax rates came from increases in tax levies, especially debt levies that don't benefit from PTRC.

The estimated reduction in net homestead tax bills for Fountain County is 34.53%. This estimate doesn't include the effect of the CEDIT homestead credit, which is most accurately calculated using values from the billing abstract. Abstract values aren't available at the time of this analysis.

Assessment Status

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change					
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 10% Increase</u>	<u>10 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	13.0%	6.2%	73.8%	6.0%	0.8%	0.2%
Industrial	11.8%	2.6%	78.9%	3.9%	2.6%	0.0%
Residential	34.9%	24.7%	35.4%	3.5%	1.3%	0.1%
Overall	33.2%	23.2%	38.5%	3.7%	1.3%	0.1%

TIF Neutralization Worksheets

The County has several Tax Increment Areas. A Tax Increment Financing (TIF) Neutralization Worksheet must be completed for each TIF District in order to calculate tax increment generated by real property growth rather than increases in assessed valuation due to reassessment or trending. The TIF Neutralization Worksheets were reviewed for both numerical accuracy and for logical analysis and completeness.